

DISTRICT OF COLUMBIA SALES TAX EXEMPTION PAYMENT POLICY

FOR FEDERAL GOVERNMENT AGENCIES, DISTRICT OF COLUMBIA GOVERNMENT, OTHER LISTED STATE GOVERNMENTS AND THEIR POLITICAL SUBDIVISIONS, FEDERAL CREDIT UNIONS AND ORGANIZATIONS RECOGNIZED D.C. SALES TAX EXEMPT

In accordance with D.C. Code §47-2005 and 9 D.C.M.R. §445, sales to the U.S. government are exempt from the sales tax if the charges are directly incurred and discharged by the U.S. government. In order for the sale to be exempt from the tax, the payment must be made with a government check or purchase order paid directly to the vendor.

Any purchase made and paid to a vendor by an employee of the U.S. government, other listed state governments and their political subdivisions, Federal Credit Unions and organizations recognized D.C. sales tax exempt with cash, personal check or personal credit card is considered to be a transaction between the employee and the vendor, and the purchase is subject to D.C. sales tax.

Beginning November 30, 1998, U. S. government agencies, District of Columbia Government, other listed state governments and their political subdivisions, Federal Credit Unions and organizations recognized D.C. sales tax exempt are allowed to use the credit card to exempt the sales from D.C. sales and use tax as long as the credit card used to pay the purchase is the one that is billed directly and paid by the tax exempt entity. Employee ID required.

U.S. government agencies will be allowed to use the newly issued GSA SmartPay cards: travel, fleet and purchase cards with the employee's name. A certificate of exemption is not required for Federal agencies using the cards since our statute and regulations already exempt sales to the U.S. government. A photocopy of the card is prohibited for verification of a U.S. government sale and may not be retained by the vendor due to security issues. However, the credit card receipt will show the account number that will validate exempt status and must be retained by the vendor for U.S. government sale to be exempt. **Note: Only those travel cards with the 6th digit of the account numbering structure: 0,6,7,8,9 are exempt from the sales tax.**

ISSUED NOVEMBER 2003

Attachment: List of States, Commonwealths or Territories of the United States which are exempt from District of Columbia Sales and Use Taxes

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer
Office of Tax and Revenue



November 2003

List of States, Commonwealths or Territories of the United States which are exempt from District of Columbia Sales and Use Taxes. **A copy of their Special Letter of Exemption (FR-300) from the Office of Tax and Revenue must be presented to vendors as evidence of exempt status.**

Alaska
Florida
Guam
Illinois
Indiana
Iowa
Maryland
Michigan
New Mexico
North Dakota
Ohio
Oregon
Pennsylvania
Puerto Rico
U.S. Virgin Islands

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